

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

Public Services – Treasuries and Accounts Department – Pension Payment Offices, Hyderabad – Fraudulent drawal of pensions by Sri Md.Ashfaq, formerly private receipt writer O/o APPO, Chandrayanagutta and Sri Md. Ibrahim Khaleel, Controller, APSRTC, Barkatpura to a tune of Rs.20.54 lakhs – Departmental Proceedings initiated against Retired Officers/in Service Officers of PPO Unit of Treasuries and Accounts Department – Disciplinary action against **Sri Md. Hidayath Ali, Junior Accountant (Retd)** – Imposition of punishment of withholding of **Rs.1640/-** (Rupees sixteen hundred and forty) per month from his pension for a period of **(20) months** under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

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### FINANCE (ADMN.I.VIG.) DEPARTMENT

**G.O.Rt.No. 594**

**Dated:22.02. 2012**

**Read the following:-**

- 1) JD, PPO's Charge Memo.No.K/A1/8022/04, dated 19.2.2004.
- 2) Defence Statement of Md. Hidayath Ali, Junior Accountant (Retd) dated ..4.2010.
- 3) G.O.Rt.No.4513, Finance (Admn.I.Vig) Dept, dt:19.11.2008
- 4) Enquiry Report of Sri Janak Raj, Commissioner of Inquiries  
D.O.Lr.No.2128/COI.JR/2008,dt:05-11-2009.
- 5) Govt.Memo.No.13365-A/ 42/A2/Admn.I.Vig./2003-12  
DT.9.12.2009 with the endorsement of JD, , PPO Procs.  
No.A1/K/8022-22 JD, PPO/10 dated 9.3.2010 Show Cause Notice
- 6) JD, PPO, Lr.No.A1/254/2944/JD,PPO/2010 dated 5.8.2010. along with representation of Sri Md. Hidayath Ali, Junior Accountant (Retd.) dated 15.1.2010
- 7) Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003-3,dated:16.11.2010 final Show Cause Notice
- 8) Explanation of Sri Md. Hidayath Ali, Junior Accountant (Retd.) dated 7.2.2011.
- 9) Govt. Letter No. 13365-A/42/Admn.I.Vig/2003, dated 22.9.2011 addressed to Secretary, APPSC.
- 10) From the Secretary, APPSC Lr.No.186/RT-I/3/2011, dated 9.12.2011.

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### ORDER:

The Director of Treasuries and Accounts reported that a case of fraudulent drawals took place in the offices of Assistant Pension Payment Officers, Chandrayangutta, Motigally, Nampally, Punjagutta and Narayanaguda. This came to light when the Banjara Hills Police have nabbed two culprits – Sri Md.Ashfaq and Sri Ibrahim Khaleel. The preliminary reports indicated that the said Sri Mohd Ashfaq, who worked earlier as pension receipt writer at the O/o the APPO, Chandrayanagutta made use of his knowledge of pension payment procedures and his contacts with the staff of the office of different APPOs and resorted to fraudulent drawls by adopting dubious means. The enquiries have revealed that the culprits used to make representations in the name of the deceased pensioners, and get the addresses changed, change the bank of the pensioners and drew the amounts fraudulently. The Police investigations revealed that the culprits have resorted to this kind of fraud in about 30 cases. On the request of the police the probable amounts of those fraudulent drawals has been estimated to be Rs.20,54,000/-. A criminal case in

this matter has been registered in the Banjara Hills Police Station and it is under investigation. On detection of this fraud, the department undertook a detailed verification of those 30 Pension Payment Orders and found that the Assistant Pension Payment Officers have allowed the change of bank merely based on the option form or a representation received in the name of the pensioner and credited pension to the new bank account without following the prescribed procedure. The descriptive rolls were changed by affixing the photographs of the fake pensioners. The Assistant Pension Payment Officers concerned have failed to keep records in the safe-custody and thereby given scope for the culprits and those who connived with them to have easy access and commit the fraud. The Charged Officers failed to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P. Treasury Code. Vol-I and the procedure prescribed in G.O.Ms.No.213, Finance & Planning (FW PSC) Department, dated.19.12.1997 and instructions issued thereon from time to time and thus, they have not only given scope for these fraudulent drawals but also helped the culprits to continuously draw them over a period of time. They have not followed appropriate procedure in obtaining the life-certificates, descriptive rolls and in filing them in the files concerned. These failures have paved a way for the culprits to tamper with the records of the office and resort to fraudulent drawals.

2. In the reference 1<sup>st</sup> read above Departmental Proceedings were initiated by the O/o the JD, PPO against **Sri Md. Hidayath Ali, Junior Accountant (Retd)** along with others of PPO Unit of Treasuries and Accounts Department who were allegedly responsible for the irregularities and for their failure to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms No.213, Finance & Planning (FW PSC) Department, dated.19-12- 1997 and instructions issued thereon from time to time. The following Article of Charge has been framed against **Sri Md. Hidayath Ali**, O/o the APPO, Seethaphalmandi at Tarnaka now retired as Junior Accountant.

***Charge.I: Sri Hidayath Ali, the then J.A in O/o the APPO, Chandrayanagutta and presently working as J.A in O/o the APPO, Seethaphalmandi at Tarnaka during the period from 4/99 to 10/2000 at Chandrayanagutta Branch has failed to follow the procedure prescribed in A.P. Treasury code & the instructions issued thereon from time to time in making pension disbursements in respect of the pension payment orders listed in the statement enclosed to the statement of imputations, and there by given scope for fraudulent drawals and was responsible for a loss of Rs.16,470/- to the exchequer.***

***Thus, Sri Hidayath Ali, the then JA at O/o the APPO, Chandrayanagutta and presently working as JA in O/o the APPO, Seethaphalmandi at Tarnaka, the above mentioned has exhibited lack of integrity devotion to duty and conduct becoming of a Government servant and thereby contravened rule 3 (1) & (2) A.P. Civil Services (Conduct) Rules, 1964.***

3. In his defence statement, he has stated that the findings of the Enquiry Authority against him are not justified and that he did not discuss his statement of defence furnished to the Enquiry Authority on dt.21.5.2009 and that he simply proved the charge basing on the briefs furnished by the Presenting Officer. He further stated that he enclosed a copy of his statement of defence dt. 7/2006 submitted to the Joint Director, Pension Payment Office, Hyderabad in reply to the charge Memo. dated 10.2.2004 issued to him alleging that he was held responsible for the payment of pension to (4) four bogus pensioners listed in list of documents amounting to Rs.16,470/- during the period of his officiating as Junior Accountant, in the Office of the Asst. Pension Payment Officer, Chandrayanagutta from 4/99 to 10/2000.

4. Further stated that he did not know the replacement of descriptive roll of the said bogus pensioner as it might have taken place during some time prior to his officiating. The place i.e., the branch Office where the mischievous act took place was not known until the police authorities informed. The charges have been framed after 4 years from the incident of receiving report from police authorities about payment of pension to the fake pensioners. Actually before framing the charges against the employees who worked in the seat and APPO who initialled in the pages after sending monthly pension with other pensioners a preliminary enquiry would have conducted and only after finding the correct person who started the bogus pension the charge should have been framed. The enquiring authority in his report was also of an opinion that "no doubt the real thrust has to be catch to the criminals in the crime, those employees who connived with them and directly facilitated the Commission of the crime". But it has not been done at the juncture when a report was receiving from police authorities about the fraudulent drawal of fake pensioners upon nabbing two outsiders namely Mohd. Ashfaq and Mohd. Ibrahim Khaleel. Had the action been taken at that juncture it self and correct person who connived with those culprits would have caught and the wrong action or initiation of framing charges against the employees who were made scapegoats would have avoided. There was no scope to see the pensioner before making payment as per G.O.Ms.No.79 Finance & Planning (FW:PSC) Department dated 4.3.1989 and G.O.Ms.No.213, Finance & Planning (FW:PSC) Department dated 19.12.1997 in as much the pension was being paid through the bank only. Mustering of pensioner was also dispensed with as the pensioner need not visit pension payment office as per SR 67(A) under T.R. 16 OF APTC. Vol.1.

5. He further stated that failure to obtain life certificate was not at all relevant to him as the pensioners have submitted their life certificates on the specified period. The question of obtaining Life Certificate does not arise. The briefs of the Presenting Officer are full of inexactitudes as the provisions quoted by him are deemed to have been super ceded with the issue of the above two GOs as the pensioner was not expected to go over to the pension Payment Office. Only for the shake of providing the charge, the presenting Officer has tried to fix up responsibility based on the drag subsidiary rules under T.R 16 of APTC. Vol.1. The same method has been followed even today and there was no compulsion on the part of the pensioner to appear before the Pension Disbursing Officer as per G.O.Ms.No.213 Finance (FW:PSC) Department dated 19.12.1997 also. Finally he requested the Government to examine his statement of defence meticulously and to drop further action against him. Thus by taking into consideration the above fact, he requested to drop further action in the matter.

6. Government, in exercise of the powers conferred by Sub-rule (2) of Rule 20 of A.P. Civil Services (CC&A) Rules, 1991, appointed Sri Janak Raj, IPS (Retd.) Commissioner of Inquiries, Department as Inquiry Authority to inquire into the charges framed against the Charged Officer **Sri Md. Hidayath Ali, Junior Accountant (Retd)** Treasury and Accounts Department and in exercise of the powers conferred by Sub-Rule (5) of A.P. Civil Services (CC&A) Rules, 1991 appointed Sri Jagan Mohan Goud, Joint Director of Treasuries and Accounts O/o the Director General, Dr. MCR HRDI, Hyderabad as Presenting Officer.

7. The Inquiry Authority, Sri Janak Raj, Commissioner of Inquiries has submitted his report vide reference 4<sup>th</sup> read above. In the Enquiry the charge framed against **Sri Md. Hidayath Ali, Junior Accountant (Retd)** has been proved. While furnishing a copy of the report of Enquiry Officer, a Show Cause Notice was issued to **Sri Md. Hidayath Ali, Junior Accountant (Retd)** as to why a suitable punishment should not be imposed against him as the charge framed against him has been proved in the inquiry vide reference 5<sup>th</sup> cited.

8. **Sri Md. Hidayath Ali, Junior Accountant (Retd)** in his representation has stated that there was no scope to see the pensioner before making payment as per GO.MS.No.79 Finance dated 4.3.1989 and G.O.Ms.No.23, Finance dated 19.12.1997 in as much as the pension was being paid through the bank only. Mustering of pensioner was also dispensed with as the pensioner need not visit pension payment office as per S.R 67 (A) 16 of AP.T.C Vol.-I. Hence failure to obtain life certificate is not at all relevant to him and Govt. to examine his statement of defence meticulously and to drop further action against him. . Therefore, he has requested the Government to drop further action in the matter and release all his pensionary benefits.

9. Government after careful consideration of the findings of the Inquiry Authority and representation of the Charged Officer, has **provisionally decided to impose a punishment of withholding of Rs. 1640/- from his pension for a period of 20 months** and issued a final Show Cause Notice to him vide reference 7<sup>th</sup> read above.

10. **Sri Md. Hidayath Ali, Junior Accountant (Retd)** in his representation has stated that there was no rule of recovery of interest. But as seen from the others suffered employees like him, the Govt. has quoted Article 300 of APFC.Vol.I. The recovery of intest was not applicable in his case as the Article 300 of APFC. Vol.I has been amended through G.O.Ms.No.33, Finance (TFR.I) Department dated 9.2.2006 enabling the authorities to recover misappropriated amounts from the Government employees together with the interest of Bank Rate. Whereas the incident of fraudulent drawal took place a decade back when there was no rule of recovery of interest. Hence, not applicable to the cases arose on or after 9.2.2005. Finally he requested the Government to examine his explanation meticulously and to drop further action against him.

11. Government, after careful consideration of the material on record i.e. Charge Memo., defence statement, finding of the Inquiry Authority, explanation of the Charged Officer to the Show Cause Notices found that the Charged Officer did not follow the provisions contained under Sub Rules 64 to 87 for payment of pension i.e., he involved in violation of procedure prescribed in A.P. Treasury Code and instructions issued thereon from time to time in making pension disbursements in respect of certain pension payment orders. The Charged Officer has stated that he had followed the orders issued in G.O.Ms.No.79 Finance (PFW:PSC) Department dated 4.3.1989 and G.O.Ms.No.213 Finance (FW:PSC) Department dated 19.12.2007 regarding procedure for payment of pension through the banks and pension shall not stop without waiting for life certificate etc., upto the end of December. In the said GOs orders were issued simplifying procedure in respect of payment of pensions. Pensions were hitherto paid in cash at PPOs /Treasury Offices. This practice was changed and made the pensioners to opt for Bank which is nearer to them for receipt of pension through Banks. The other conditions remain unchanged. The Charged Officer is under the impression that consequent to the orders issued in the said GOs, no checks need be effected as the orders issued are pending amendment to the respective codal provision. This ground is totally untenable. He should not have presumed this, till such amendments were issued, the respective codal provisions remained in force and needed to be followed. Due to non-exercise of checks, fraudulent payment of pensions occurred due to the replacement of photos and other information in the descriptive rolls of pension payment orders with bogus photos and rolls. Mustering of pensioners would have identified such cases. In the G.O.79 Finance (FW:PSC) Department dated 4.3.1989 and G.O.Ms.No.213 Finance (FW:PSC) Department dated 19.12.1997 orders have been issued for furnishing necessary certificates through banks, but the process of mustering will help pension disbursing officer to establish proof of pensioners existence. The Charged Officer had totally failed to follow the procedure of payment of pension stipulated under A.P. Treasury Code. Therefore, Government, **provisionally decided to impose a punishment of withholding of Rs.1640/- from his pension for a period of (20) months on Sri Md. Hidayath Ali, Junior**

**Accountant (Retd)** and addressed the Secretary, Andhra Pradesh Public Service Commission for according concurrence of the Commission with the proposed punishment against **Sri Md. Hidayath Ali, Junior Accountant (Retd)** and intimate the same to the Government for taking further action.

12. The Secretary, A.P. Public Service Commission, Hyderabad in their letter 10<sup>th</sup> read above, have concurred with the proposal of the Government for imposition of a punishment of **withholding Rs.1640/- per month from pension for a period of (20) months on the Charged Officer Sri Md. Hidayath Ali, Junior Accountant (Retd)**.

13. Government accordingly, hereby order for imposition of a punishment of **withholding Rs.1640/- (Rupees sixteen hundred and forty) per month from his pension for a period of twenty (20) months on the Charged Officer Sri Md. Hidayath Ali, Junior Accountant (Retd)** under Rule 9 of A.P. Revised Pension Rules, 1980.

14. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

15. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

DR. P.V. RAMESH  
PRINCIPAL SECRETARY TO GOVERNMENT (FP)

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

The Joint Director, PPO, Hyderabad.

Copy to: The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, A.P., Hyderabad.

The Accountant General, A.P., Hyderabad.

SF/SC

//FORWARDED::BY ORDER//

Section Officer.